

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
April 22, 2009**

The regular meeting of the Washington State Transportation Commission was called to order at 9 A.M., on April 22, 2009, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present at the meeting were: Chair O'Neal, Bob Distler, Dick Ford, Latisha Hill, Carol Moser and Philip Parker.

MINUTES APPROVAL

It was moved by Commissioner Ford and seconded by Commissioner Moser to approve the meeting minutes of the February 17 & 18, 2009 and March 18 & 19, 2009. The motion passed unanimously.

TACOMA NARROWS BRIDGE TOLL SETTING

Bob Ryan, Chair, TNB Citizen Advisory Committee (CAC), explained that the CAC met on April 2nd and reviewed a number of issues that included cash vs. ETC, capital expenditures and cost savings. He noted that traffic projections have been revised downward by 6.7 percent and the March actual counts are now within .04 percent of the revised projection. The CAC continues to struggle with whether or not this decline is an ongoing trend or if it is limited to a certain time period. The Legislature revised current budgeted expenditures by \$2.9 million which resulted in a \$9.448 million reserve at the end of fiscal year 2010. Therefore the CAC recommends there be no increase in tolls rates at this time, but continued monitoring of traffic and revenue counts.

Commissioners questioned what the CAC considers an adequate reserve in the account.

Mr. Ryan responded that the account should maintain a \$9 million reserve at the end of each fiscal year. Revenues are up because of additional items that have been included that are not connected to traffic counts.

Commissioners discussed the decline in traffic counts, future increases in the toll rates and the differential between the cash and ETC toll rates. They also expressed concerns about a large increase in 2011 as opposed to a smaller increase each year. The inclusion of miscellaneous income to the mix might confuse the connection of traffic counts to revenues collected.

Ted Trepanier, Director Traffic Operations, WSDOT, distributed Tacoma Narrows Bridge projected and reported traffic revenue for FY 2008. He provided an overview of the projected versus actual traffic count and revenue variances.

Commissioner Distler emphasized that actual data should be provided either separately or in a fiscal year to date total, so that reported traffic and revenue is compared to projected traffic and revenue for the same time frame.

Commissioner Ford noted that the State Treasurer is very concerned about maintaining the state's bond rating. There must be enough reserve in the toll account to meet the payment obligation on the bonds.

It was moved by Commissioner Ford and seconded by Chair O'Neal that the cash and ETC tolls remain at the current rate of \$2.75 and \$4 until January 2010, subject to the Commission's continued review of the reserve account balance.

Commissioner Moser requested that the motion be amended to reflect that the current rates stay in place until it is determined that the rates must be adjusted to meet the debt.

Commissioner Ford amended his motion to reflect that the current rates remain in place until the Commission meets in the late fall of 2009 to review traffic and revenue data.

Commissioner Distler emphasized that he does not support this decision. He expressed that he feels it's too risky because the traffic and revenue will fluctuate based on the economy which could create real financial problems.

The motion passed five (aye) and one (no).

PUBLIC COMMENT

There were no public or Legislators available for comment.

MARCH TRANSPORTATION REVENUE FORECAST

Doug Vaughn, Director, Budget and Financial Analysis, Strategic Planning and Finance Division, WSDOT, introduced Lizbeth Martin-Mahar, Assistant Director, Economic Analysis, Budget and Finance Division, WSDOT.

Ms. Martin-Mahar provided a brief overview of the decline in key economic variables in Washington since the November 2008 forecast. She explained that variables have weakened over the last few months' i.e. personal income, inflation and fuel prices while the unemployment rate has increased. The motor vehicle fuel tax is the primary driver contributing to the decline, but licenses, permits and fees and other revenue sources have also declined.

SECRETARY'S REPORT

Paula Hammond, Secretary, WSDOT, provided an update on WSF's financial plan and the purchase of new ferries. She shared that the SR 520 tolling implementation and the Alaskan Way Viaduct replacement legislation is still moving through the legislative process along with long-term financing and stimulus spending. She also discussed current projects underway around the state. She noted that all in all she feels pretty good about the budget.

Commissioners and the Secretary discussed several legislative bills, tolling, project activities, public/private partnerships and bonding.

Dave Dye, Deputy Secretary, WSDOT, provided an update on the progress of the Hood Canal Bridge pontoon replacement project.

COMMISSION BUSINESS

WTP Update

Paul Parker, Senior Policy Analyst, WSTC and Commissioner Moser provided an update on the recent WTP kickoff meeting.

Commissioners discussed the idea of nominating a Chair/Co-Chair for the WTP Team. It was determined as opposed to nominating a Chair/Co-Chair for WTP Team it would function better to have the individual team members report to the Commission.

WTP Blog Policy

Mr. Parker distributed a draft Commission Blog Policy for review, discussion and approval.

It was moved by Commissioner Parker and seconded by Commissioner Moser to approve the draft Blog Policy as amended by Commissioner Ford. The motion passed unanimously.

WTP Communication Plan

Mr. Parker provided an overview of the proposed communication plan.

Commissioners considered several suggestions that included providing comment cards at meetings, webpage news announcements, creating a Blog and maintaining key stakeholder lists.

2009-10 Officers

Chair O'Neal selected Commissioners Parker, Forner and Ford to serve as the nominating committee for the selection of Commission Chair and Vice Chair.

Commissioner Reports

No Commissioner reports were provided.

The Commission meeting adjourned at 12:30 p.m., on April 22, 2009.

If you would like additional detail on what occurred at any Commission meeting in Olympia, please refer to our web site at www.wstc.wa.gov and click on the link titled "Meeting Audio on TVW" under the 2009 Olympia Meetings section of the home page. There you will be able to access the full audio recording of the meeting. If you have questions please contact our office at 360-705-7070.

WASHINGTON STATE TRANSPORTATION COMMISSION

DAN O'NEAL, Chair

ABSENT
ELMIRA FORNER, Vice-Chair

PHILIP A. PARKER, Member

CAROL MOSER, Member

DICK FORD, Member

ROBERT S. DISTLER, Member

LATISHA HILL, Member

PAULA HAMMOND, Ex-Officio Member
Secretary of Transportation

JENNIFER ZIEGLER, Governor's Office

ATTEST:

REEMA GRIFFITH, Executive Director

DATE OF APPROVAL